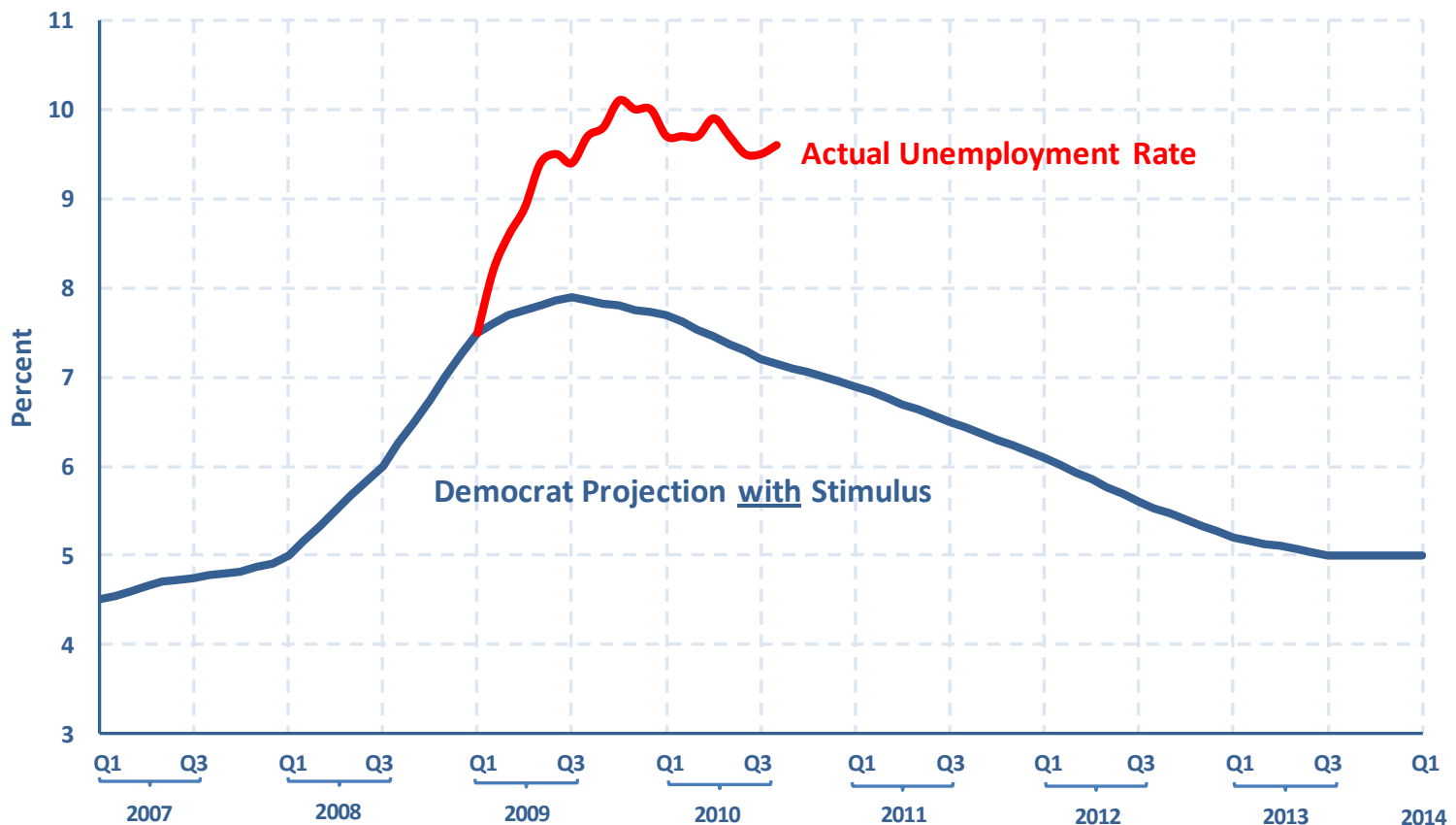




# **As the Administration's "Recovery Summer" Turns into Fall, Unemployment Remains Stuck Near 10% and Americans Continue to Ask "Where Are the Jobs?"**

*September 22, 2010*



September 22, 2010 marks the end of summer and beginning of fall. So it's an appropriate time to review the results of Democrats' "Recovery Summer" for American workers.

In announcing the start of the "Recovery Summer" on June 17, 2010, the White House [described](#) it as a "surge in Recovery Act infrastructure projects that will be underway across the country in the coming months – and the jobs they'll create well into the fall and through the end of the year." Vice President Biden [pledged](#) that "this bold investment in the future will stimulate short-term and long-term American jobs....The upcoming summer of projects is the next step on the road to recovery."

But did "Recovery Summer" show that Democrats' trillion-dollar stimulus plan is really working as the White House continues to insist? Unfortunately for American workers, the answer remains a disappointing "no."

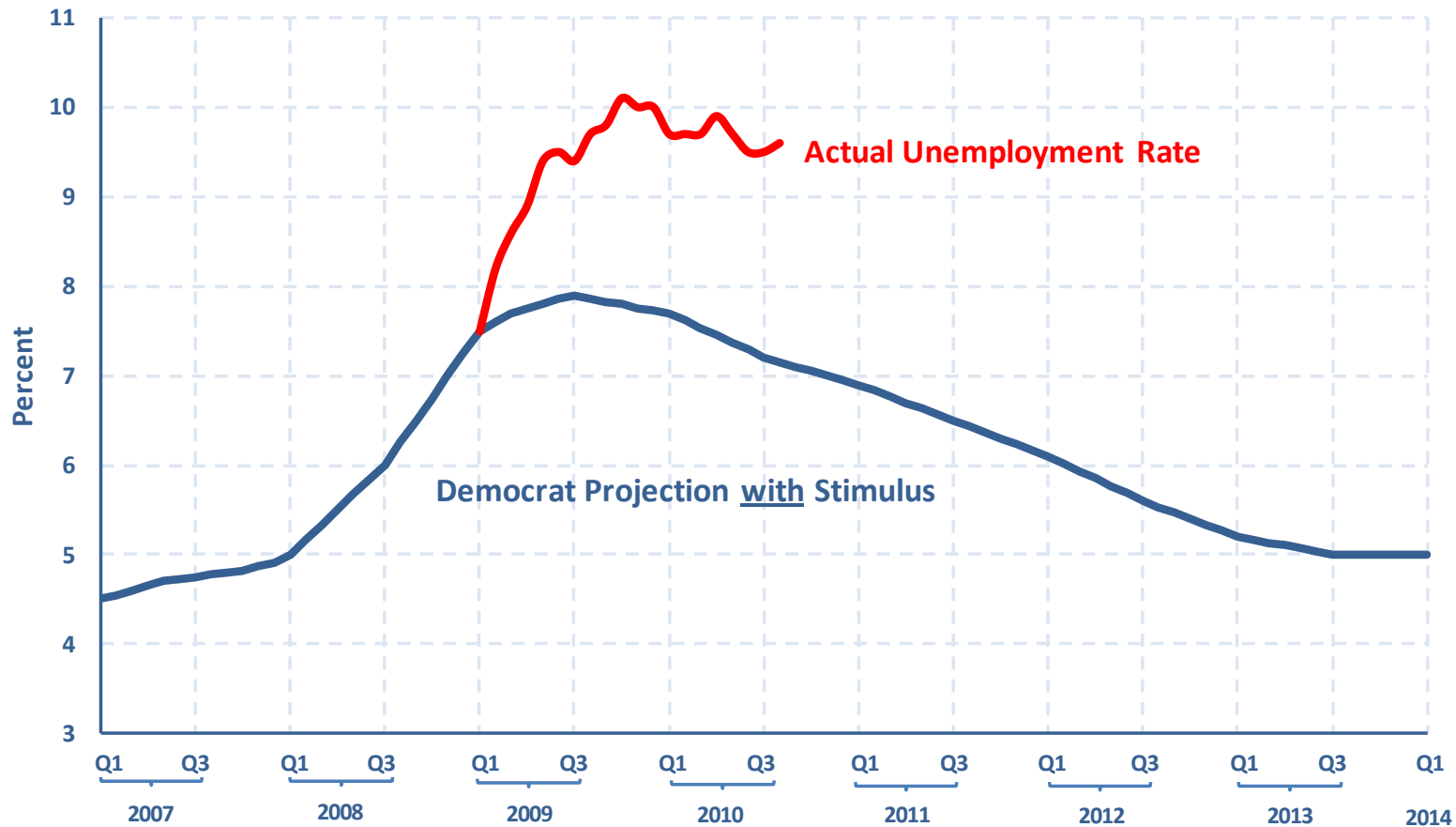
The data in this report shows that as "Recovery Summer" ends today:

- (1) **The unemployment rate is far higher** than Administration officials predicted it would be if their stimulus plan passed;
- (2) **In 14 States where the President or Vice President touted "Recovery Summer," unemployment rates have increased** by an average of 1.4 percentage points since stimulus passed;
- (3) A total of **49 out of 50 States have lost jobs** since Democrats' February 2009 stimulus;
- (4) Instead of the current official unemployment rate of 9.6%, **the unemployment rate would be 11% if it included all the "uncounted unemployed"** -- American workers who have simply given up looking for work or didn't even bother to try to enter the labor market;
- (5) Instead of creating 3.7 million jobs as promised, through August 2010, 2.5 million jobs have been lost since Democrats' stimulus. **The private sector has shed nearly 2.4 million jobs**, including over 1.5 million jobs lost in construction and manufacturing alone;
- (6) The economy is now **over 7 million jobs short of what Democrats promised** in January 2009 if their stimulus bill passed; and
- (7) The staggering 66% combined rise in debt and unemployment during President Obama's term has created **an enormous "Obama Misery Index."**

## (1) UNEMPLOYMENT IS FAR HIGHER THAN PROJECTED

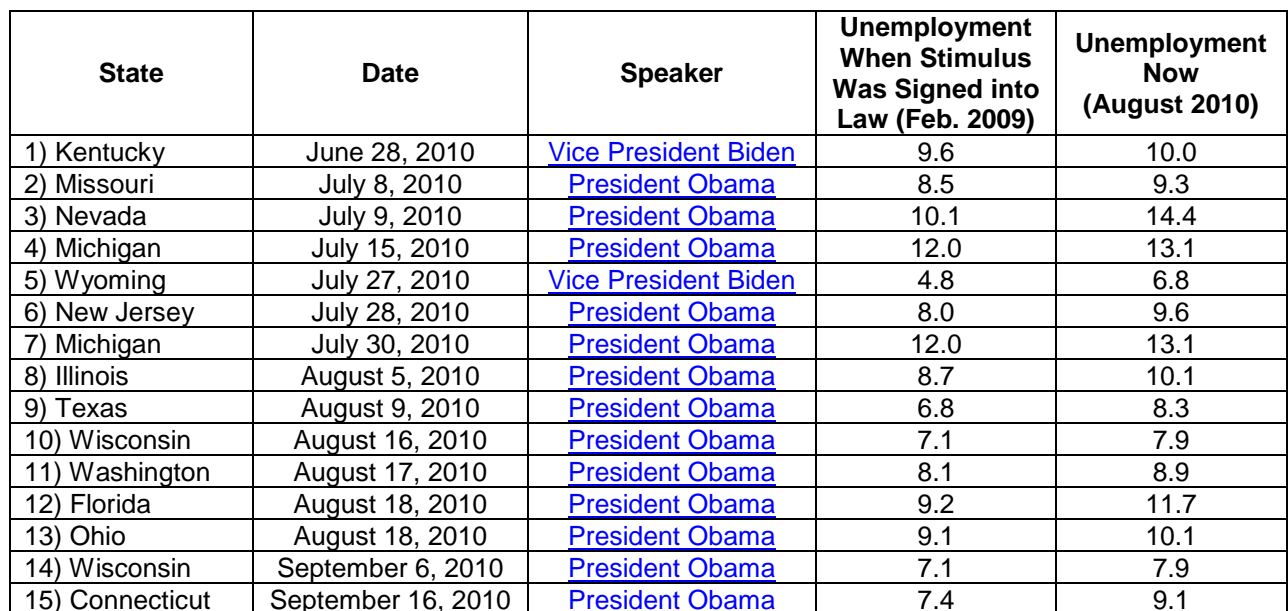
The unemployment rate is far higher than the Administration predicted it would be if their stimulus passed:

### Democrat Projection of Unemployment Rate with Stimulus vs. Actual Unemployment Rate



Source: January 2009 [Romer/Bernstein Report](#) and actual [U.S. Department of Labor data](#)

Unemployment rates in 14 States where the President or Vice President touted “Recovery Summer” have increased by an average of 1.4 percentage points since stimulus passed:



Source: U.S. Department of Labor data

### (3) JOBS LOSSES IN ALL BUT ONE STATE SINCE STIMULUS

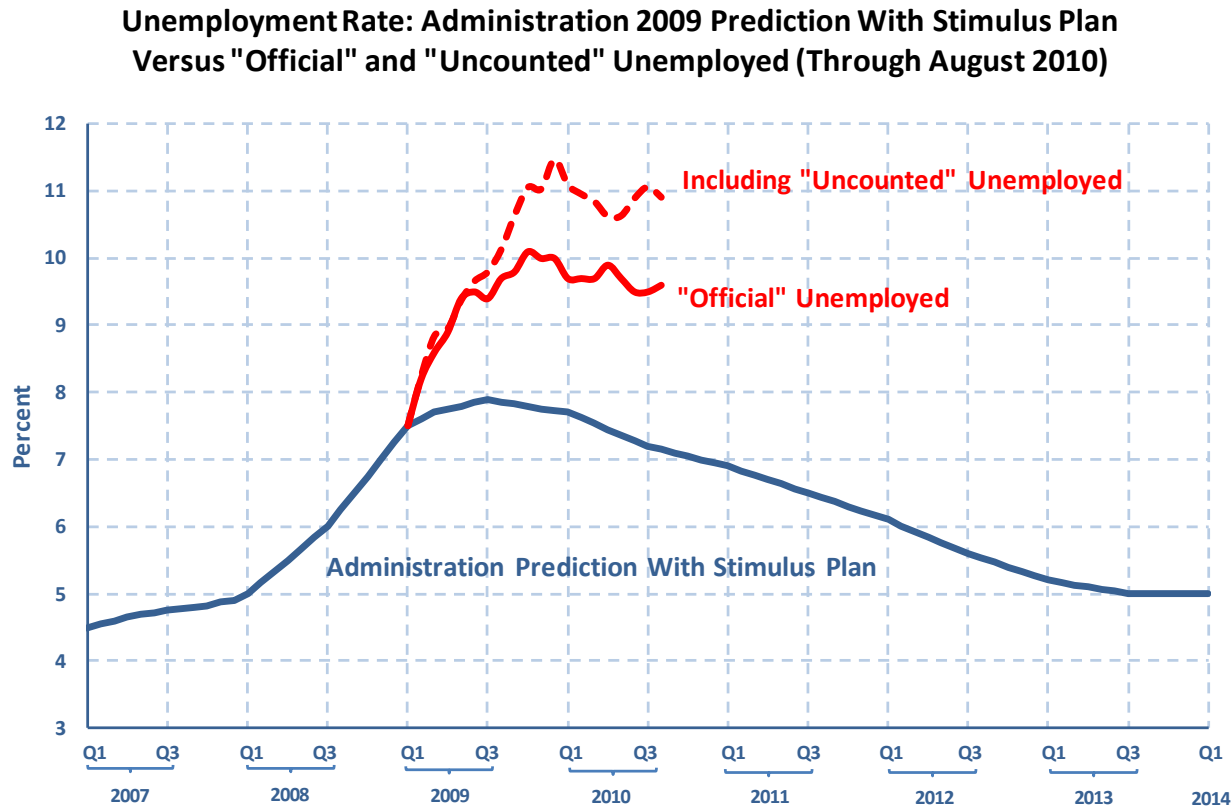
49 out of 50 States have lost jobs since Democrats' February 2009 stimulus:

State	Administration Projected Change in Jobs (Through December 2010)	Actual Change in Jobs (Through August 2010)
Alabama	+52,000	-47,300
Alaska	+8,000	-3,900
Arizona	+70,000	-90,500
Arkansas	+31,000	-17,300
California	+396,000	-573,000
Colorado	+59,000	-95,200
Connecticut	+41,000	-39,500
Delaware	+11,000	-6,000
District of Columbia	+12,000	+1,800
Florida	+206,000	-156,800
Georgia	+106,000	-132,900
Hawaii	+15,000	-14,100
Idaho	+17,000	-18,500
Illinois	+148,000	-177,000
Indiana	+75,000	-34,100
Iowa	+37,000	-27,100
Kansas	+33,000	-31,200
Kentucky	+48,000	-17,700
Louisiana	+50,000	-20,000
Maine	+15,000	-13,000
Maryland	+66,000	-21,300
Massachusetts	+79,000	-17,100
Michigan	+109,000	-115,800
Minnesota	+66,000	-34,800
Mississippi	+30,000	-30,800
Missouri	+69,000	-52,800
Montana	+11,000	-7,500
Nebraska	+23,000	-8,200
Nevada	+34,000	-69,700
New Hampshire	+16,000	-3,300
New Jersey	+100,000	-89,500
New Mexico	+22,000	-25,900
New York	+215,000	-125,200
North Carolina	+105,000	-71,100
North Dakota	+8,000	+5,500
Ohio	+133,000	-149,200
Oklahoma	+40,000	-22,900
Oregon	+44,000	-47,200
Pennsylvania	+143,000	-97,600
Rhode Island	+12,000	-14,600
South Carolina	+50,000	-22,500
South Dakota	+10,000	-1,300
Tennessee	+70,000	-66,900
Texas	+269,000	-99,100
Utah	+32,000	-11,300
Vermont	+8,000	-7,400
Virginia	+93,000	-40,600
Washington	+75,000	-80,300
West Virginia	+20,000	-10,900
Wisconsin	+70,000	-77,700
Wyoming	+8,000	-9,900

Source: Administration February 2009 [projection](#) and Ways and Means Republican Staff calculations based on Department of Labor [data](#)

#### (4) THE HIGH OFFICIAL UNEMPLOYMENT RATE ACTUALLY UNDERSTATES THE PROBLEM

Instead of today's official unemployment rate of 9.6%, the unemployment rate would be 11% if it included all the "uncounted unemployed" -- American workers who have simply given up trying to find a job in the face of unemployment stuck at nearly 10 percent. This compares with the 7.1% unemployment rate the Administration in January 2009 projected for August 2010 if its stimulus plan was enacted:



Source: January 2009 [Romer/Bernstein Report](#) ("Administration Prediction With Stimulus Plan"), actual [U.S. Department of Labor data](#) and Ways and Means Republican staff calculations of "uncounted unemployed," defined as unemployed persons not included in official unemployment rate calculations because they are not currently in the labor force, compared with the month Democrats' stimulus passed (February 2009). This includes people who quit looking for jobs since stimulus passed and dropped out of the labor force, plus other working-age adults who never entered the labor force, but presumably would have if the labor force participation rate was the same as when stimulus passed.

## **(5)THE PRIVATE SECTOR HAS SHED MILLIONS OF JOBS**

Instead of creating 3.7 million jobs as promised, through August 2010 2.5 million jobs have been lost since Democrats' stimulus. The private sector has shed nearly 2.4 million jobs, including over 1.5 million jobs lost in construction and manufacturing alone;

<b>Industry</b>	<b>Administration Prediction of Job Creation by the End of 2010</b>	<b>Actual Change in Jobs since Stimulus (February 2009 – August 2010)</b>
Construction	678,000	-824,000
Manufacturing	408,000	-698,000
Financial Activities	214,000	-318,000
Retail Trade	604,000	-288,800
Professional and Business Services	345,000	-206,000
Information	50,000	-159,000
Transportation and Warehousing	98,000	-154,400
Government	244,000	-128,000
Wholesale Trade	158,000	-118,000
Other Services	99,000	-67,000
Leisure and Hospitality	499,000	-59,000
Utilities	11,000	-11,100
Mining	26,000	-900
Education, Health and Social Services	240,000	+526,000
<b>Total</b>	<b>3,675,000</b>	<b>-2,506,200</b>

Source: January 2009 [Romer/Bernstein Report](#) and [U.S. Department of Labor data](#)


## (6) THE ACTUAL LEVEL OF JOBS IN THE ECONOMY IS WELL SHORT OF THE PROMISED LEVEL

The economy is now over 7 million jobs short of what Democrats promised in January 2009 if their stimulus bill passed:

December 2010 Payroll Employment (Administration Projection "With Stimulus," See Below)	137.55 million jobs
<u>August 2010 Payroll Employment (Actual)</u>	<u>130.31 million jobs</u>
Difference	-7.24 million jobs

From Administration's "Romer/Bernstein Report," p. 4:

### Aggregate Effect of the Recovery Package on GDP and Jobs in 2010Q4

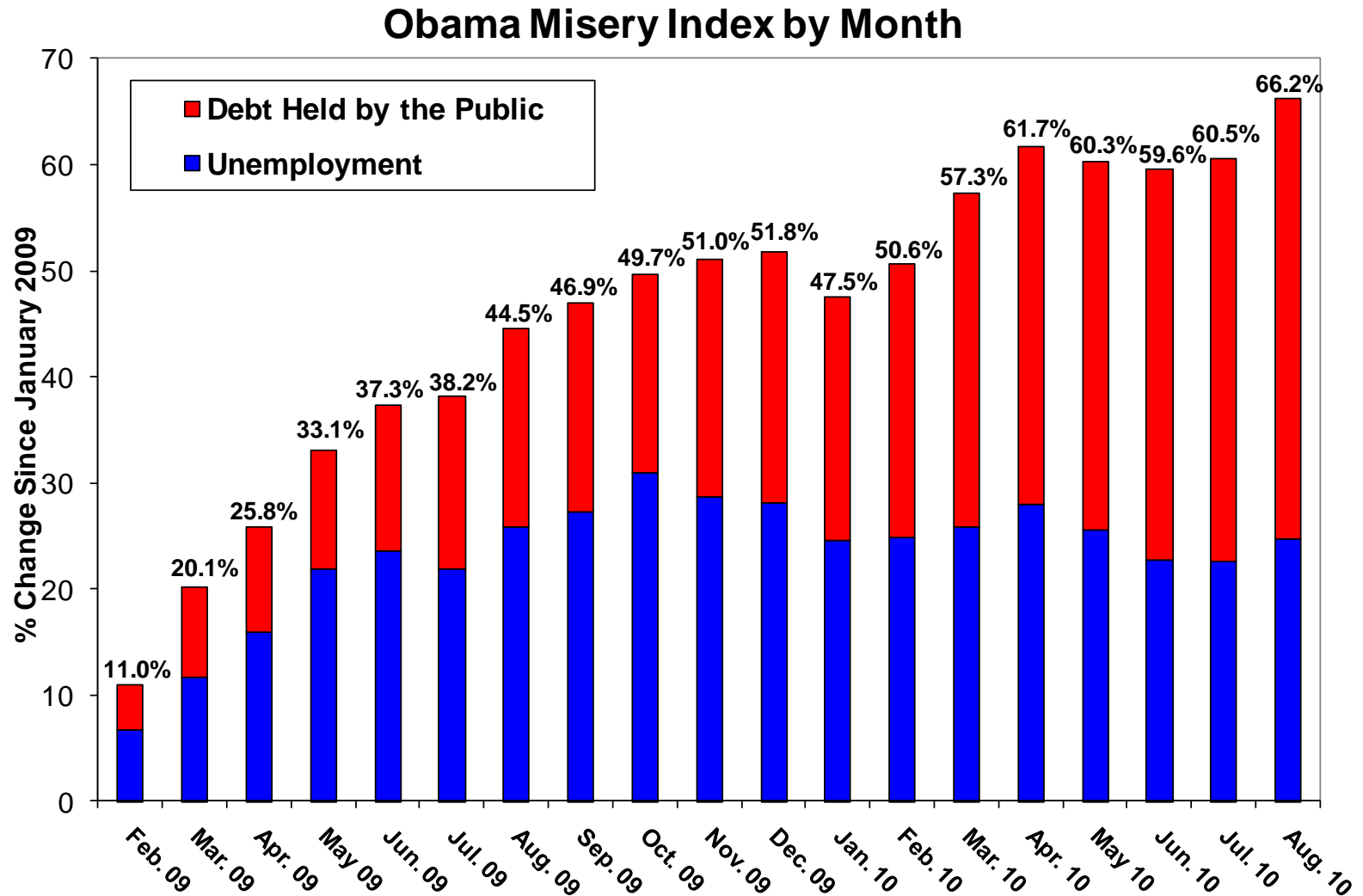
	Real GDP (billions of chained 2000 \$)	Payroll Employment
Without Stimulus	\$11,770	133,876,000
With Stimulus	\$12,203	137,550,000 
Effect of Package	Increase GDP by 3.7%	Increase jobs by 3,675,000

Source: January 2009 [Romer/Bernstein Report](#) and actual [U.S. Department of Labor data](#).



## (7) MASSIVE AND RISING DEBT AND UNEMPLOYMENT CAUSE ECONOMIC MISERY

The staggering 66% combined rise in debt (which has [already cost an estimated 1 million jobs](#)) and unemployment during President Obama's term has created an enormous "Obama Misery Index":



Source: Ways and Means staff calculations, using [Department of Labor](#) and [Department of Treasury](#) data.